



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 2

290 BROADWAY

NEW YORK, NEW YORK 10007-1866

April 18, 2007

BY ELECTRONIC MAIL AND REGULAR MAIL

Mr. Christopher R.L. Colbourne
Vice President Design and Construction
Masterworks Development Corp.
56 West 45th Street, 4th Floor
New York, N.Y. 10036

**Re: Acceptance of the Abatement and Selective Demolition
of 130 Cedar Street Building**

Dear Mr. Colbourne:

I am writing to inform you that the United States Environmental Protection Agency ("EPA") has completed its review of the procedures pertaining to the abatement and selective demolition of the building located at 130 Cedar Street, New York, N.Y. The procedures pertaining to the abatement and selective demolition are acceptable to EPA. It is our understanding that these procedures are also acceptable to the New York City Department of Environmental Protection ("NYCDEP") and a formal approval of your pending variance request should be obtained from NYCDEP prior to your commencement of work. EPA has consulted with the U.S. Department of Labor Occupational Safety and Health Administration ("OSHA") and the New York State Department of Environmental Conservation ("NYSDEC") as well about this project.

EPA's review of the draft and final abatement and selective demolition documents focused on containment measures to control potential releases of contaminants, proper procedures for monitoring the work and waste disposal. NYCDEP based its review on the regulations required for performance of an asbestos project. The comments on the draft abatement and selective demolition documents were previously sent to the New York City Department of Buildings ("DOB") and are available on EPA's web site at: http://www.epa.gov/wtc/demolish_deconstruct/130_cedar.htm.

The regulators' acceptance of the abatement and selective demolition documents is not intended as a review and/or acceptance of any structural engineering matters or of the means and methods for selective demolition at 130 Cedar Street. The regulators are relying on DOB's expertise in these areas and on DOB's oversight of all structural engineering related matters for this project.

The abatement and selective demolition documents are intended to implement best management practices, to incorporate containment measures to control potential releases of contaminants, and to provide comprehensive air monitoring coupled with appropriate mechanisms which may trigger work stoppage to address any release that may occur. Adherence to the safeguards contained in these documents, and careful monitoring of the abatement and selective demolition activities throughout the project will help prevent the occurrence of a situation that may present an imminent and substantial endangerment to public health and the environment.

Specifically, the following documents were reviewed by the regulators to understand and evaluate the procedures for abatement and selective demolition:

- Specification for Abatement and Selective Demolition, dated April 13, 2007, Appendices A through E, dated March 27, 2007, and Appendices F through K, dated April 17, 2007;
- Specification for the Removal of the Building from Containment, dated March 20, 2007;
- Specification for Community Air Monitoring, dated March 27, 2007;
- Health and Safety Plan, dated March 20, 2007;
- Emergency Action Plan, dated March 20, 2007;
- Waste Sampling and Management Plan, dated March 27, 2007; and
- Quality Assurance Program Plan, dated March 27, 2007.

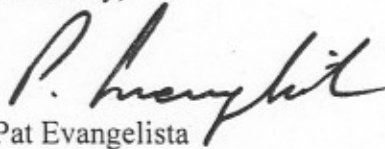
In the event of any inconsistency with a specific provision of the aforementioned documents related to abatement activities, Appendix K titled, "NYCDEP ACP 7 & 9 Submittals" shall govern. Based on a April 17, 2007 meeting between representatives of Masterworks Development Corp. (Masterworks), EPA, NYCDEP, and the New York City Office of the Chief Medical Examiner (OCME), Masterworks indicated that it may revise the approach currently specified in the Specification for Abatement and Selective Demolition for the demolition of 130 Cedar Street's west wall and cleaning of World Trade Center (WTC) dust and debris found in a gap area between the 130 Cedar Street building and an adjoining building at 90 West Street. Any modifications you propose to be made to the abatement and selective demolition documents on this matter should be submitted to EPA and the regulators referenced in this letter for their review and acceptance prior to commencement of this specific work and any activities directly related to or impacted by such work.

Any modifications proposed to be made to the abatement and selective demolition documents including, but not limited to, those future modifications agreed to by DOB and the owner of the 130 Cedar Street building, and/or its representatives, should also be

submitted to EPA and the regulators referenced in this letter for their review and acceptance. The regulators understand that the owner must file for and obtain DOB's approval prior to performing any structural work at 130 Cedar Street. Kindly provide the regulators with notice of all DOB approvals when granted. Please also inform the regulators at least one week in advance of your scheduled commencement of field activities.

EPA and the other regulatory agencies will monitor the work as it progresses, and we look forward to our ongoing consultation with you throughout your implementation of the project.

Sincerely,

A handwritten signature in black ink, appearing to read "P. Evangelista", written in a cursive style.

Pat Evangelista
WTC Coordinator
New York City Response and Recovery Operations

cc: Sal Carlomagno, NYSDEC
Krish Radhakrishnan, NYCDEP
Richard Mendelson, OSHA
Robert Iulo, NYCDOB
Max Lee, NYCDOB
Richard Rosen, NYCDOB
Mike Campbell, RJLee